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## HOUSE CONCURRENT RESOLUTION

REQUESTING A STUDY ON THE ECONOMIC AND ENVIRONMENTAL IMPACTS ON  
BUSINESSES AND COMMUNITIES AS A RESULT OF THE REDUCTION IN  
SERVICES PROVIDED BY THE DEPARTMENT OF AGRICULTURE'S PLANT  
QUARANTINE BRANCH AND COMMODITIES BRANCH STATEWIDE.

1           WHEREAS, in August and September 2009, a Senate Ad Hoc  
2 Committee conducted five informational briefings to gather  
3 information on the potential impacts of the anticipated  
4 reduction in services for the Department of Agriculture's Plant  
5 Quarantine Branch and Commodities Branch throughout the State;  
6 and

7  
8           WHEREAS, nearly ninety per cent of Hawaii's consumer goods  
9 are imported and ships alone bring in 500,000 sea containers  
10 carrying 25,000,000 cartons - inspectors at harbors and airports  
11 are the first line of defense in stopping invasive species; and

12  
13           WHEREAS, in addition, the export value of agricultural  
14 products is in excess of \$160,000,000 and the scheduled layoffs  
15 will have a severe impact on Hawaii businesses due to the  
16 resulting reduction in exports; and

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18           WHEREAS, California already imposes strict guidelines for  
19 the importation of Hawaii's agricultural products and any  
20 decline in meeting those requirements may result in an embargo  
21 by California; and

22  
23           WHEREAS, small businesses in particular are vulnerable, as  
24 any additional difficulty in achieving nursery certifications  
25 has a proportionately larger financial impact on smaller  
26 operations; and

27  
28           WHEREAS, the Plant Quarantine Branch's Biosecurity Program  
29 is responsible for controlling the introduction and interisland  
30 spread of invasive species in Hawaii; and

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1 WHEREAS, initially, the Plant Quarantine Branch listed  
2 seventy-two general funded positions and forty special funded  
3 positions, with fifty-two of the general funded positions  
4 scheduled for layoffs, and as a result of the briefings and  
5 increased community attention, on September 24, 2009, the  
6 Department of Agriculture announced temporary restoration of  
7 twenty-two of the Plant Quarantine Inspector positions slated  
8 for layoffs to support core inspection services at ports  
9 statewide; and

10  
11 WHEREAS, the \$1,800,000 funding for the twenty-two  
12 positions includes \$600,000 earmarked for the Hawaii Invasive  
13 Species Council and \$1,200,000 from fees collected in the pest  
14 inspection, quarantine, and eradication fund, which comes from  
15 maritime and airline companies that bring in cargo to Hawaii and  
16 pay 50 cents per 1,000 pounds of cargo for inspection,  
17 quarantine, and eradication of invasive species that may be  
18 transported into the State; and

19  
20 WHEREAS, the Department's Commodities Branch provides fee-  
21 for-service certification and auditing; enforces laws regarding  
22 the quality and condition of agricultural products; issues  
23 licenses for dealers in farm produce; conducts feed  
24 registration, sampling, and enforcement for label guarantees;  
25 and administers the milk control section; and

26  
27 WHEREAS, the Branch is also responsible for seafood  
28 inspections, seed certification, federal-state certification of  
29 eggs, and food safety; and

30  
31 WHEREAS, the Commodities Branch is projected to lose fifty  
32 per cent of its full time staff, and on Hawaii island, the  
33 layoffs will directly impact the papaya and coffee industries  
34 and increase certification times from days to weeks; statewide,  
35 over 1,800,000 pounds of papaya were checked and over 6,300,000  
36 pounds of coffee certified in fiscal year 2009; and

37  
38 WHEREAS, agriculture is a \$4,720,000,000 industry in Hawaii  
39 and accounts for 38,000 jobs or five per cent of the statewide  
40 total, and the proposed layoffs affect not only growers, but  
41 have a substantial "trickle down" effect on other related  
42 industries, such as packaging and fertilizer producers; and  
43



1           WHEREAS, larger agribusinesses may be able to pay for  
2 private inspectors, small farmers will not be able to afford  
3 this alternative; and

4  
5           WHEREAS, aquaculture is one of the fastest growing industry  
6 segments - valued at \$34,700,000 in 2008 - and cuts in inspector  
7 services will impact both imports and exports; and

8  
9           WHEREAS, seafood inspections account for nearly the same  
10 volume as florals, and play a vital role in the stability of the  
11 restaurant industry; and

12  
13           WHEREAS, Hawaii's seed industry - valued at \$250,000,000 in  
14 annual spending and currently the leading commodity in the  
15 agricultural industry - faces a possible shutdown if inspectors  
16 are not available to process research imports and exports; and

17  
18           WHEREAS, invasive pests can cause millions of dollars in  
19 crop losses, the extinction of native species, the destruction  
20 of native forests, the spread of diseases, and the quarantine of  
21 exported agricultural crops; and

22  
23           WHEREAS, Plant Quarantine Inspectors must be able to  
24 identify over 150 prohibited animals, 1,800 restricted animals,  
25 1,800 conditionally approved fish, 600 general and nearly 22,000  
26 species of grasses, as well as 100,000 hybrids of orchids that  
27 require quarantine, and inspectors need a relevant academic  
28 degree and three years of training, and currently, all branch  
29 staff require overtime to meet inspection needs; and

30  
31           WHEREAS, the projected cuts will reduce the staff by nearly  
32 half, making adequate inspection impossible, and the loss of  
33 these services will have a detrimental economic and  
34 environmental ripple effect for businesses and communities  
35 throughout the State; now, therefore,

36  
37           BE IT RESOLVED by the House of Representatives of the  
38 Twenty-fifth Legislature of the State of Hawaii, Regular Session  
39 of 2010, the Senate concurring, that the Office of the Auditor  
40 is requested to conduct a study on the economic and  
41 environmental impacts on businesses and communities as a result  
42 of the reduction of services for the Department of Agriculture's  
43 Plant Quarantine Branch and Commodities Branch statewide; and



1 BE IT FURTHER RESOLVED that the Auditor is requested to  
2 analyze the environmental impacts, including:

- 3  
4 (1) The number and types of inspections, certification and  
5 auditing, registration and enforcement, and other  
6 services directly affected by the layoffs;  
7  
8 (2) The adequacy of the workforce prior to the current  
9 reductions;  
10  
11 (3) The shortage of entomologists on each island, and the  
12 impacts on timely responses;  
13  
14 (4) A review of the pest inspection, quarantine, and  
15 eradication fund and compliance by cargo carriers that  
16 are required to pay into the fund;  
17  
18 (5) A review of the impact of using \$600,000 earmarked for  
19 the Hawaii invasive species council to fund inspector  
20 services, particularly the consequences for "on the  
21 ground" eradication and management programs of  
22 invasive species; and  
23  
24 (6) Other environmental impacts, particularly on  
25 communities and businesses that previously relied on  
26 these services; and  
27

28 BE IT FURTHER RESOLVED that the Auditor is requested to  
29 analyze the economic impacts, including:

- 30  
31 (1) The estimated annual dollar value of the loss to  
32 businesses and other entities;  
33  
34 (2) The estimated dollar value of the impact on other  
35 businesses and other providers of secondary goods and  
36 services;  
37  
38 (3) Other economic impacts, such as higher unemployment  
39 and reduced levels of services;  
40  
41 (4) The impact on smaller areas, such as Kauai where the  
42 Department is scheduled to lose the only office  
43 person, leaving farmers without a point of contact in



1 order to schedule and coordinate inspections and other  
2 services and obtain information;

3  
4 (5) Layoffs of Aquaculture Branch staff, and the resulting  
5 impacts on the industry; and

6  
7 (6) Other financial impacts, particularly on communities  
8 and businesses that previously relied on these  
9 services; and

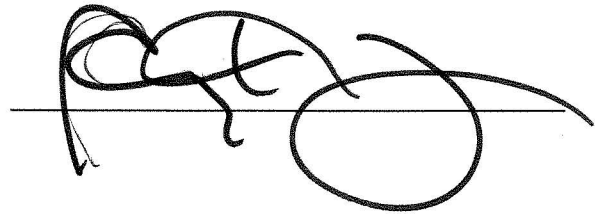
10  
11 BE IT FURTHER RESOLVED that the Auditor is requested to  
12 consult with, at minimum, the Department of Agriculture; the  
13 Hawaii Invasive Species Council; the counties, and other  
14 government and private sector agencies as deemed appropriate by  
15 the Auditor, and legislators; and

16  
17 BE IT FURTHER RESOLVED that the Auditor shall submit a  
18 study of its findings to the Legislature no later than twenty  
19 days prior to the convening of the Regular Session of 2011; and

20  
21 BE IT FURTHER RESOLVED that certified copies of this  
22 Concurrent Resolution be transmitted to the Chairperson of the  
23 Board of Agriculture, the Auditor, each county Mayor, and the  
24 Hawaii Invasive Species Council Coordinator.

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OFFERED BY: \_\_\_\_\_

A large, stylized handwritten signature in black ink, written over a horizontal line. The signature is highly cursive and difficult to decipher.

MAR 10 2010

